COMMANDERS DIGEST

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JAN 15 1968

SKULL SESSION—Discussing strategy for Operation Silverskate are (l to r) Capt. Creighton W. Cook, Commanding Officer of the aircraft carrier USS Kearsarge; RAdm. Burton H. Shupper, Commander Antisubmarine Warfare Group 5, and his Chief of Staff, Capt. W. L. Nyburg. The operation was conducted in the Gulf of Tonkin in early December.

Defense, Treasury Depts. Expand Overseas Military Banking Programs

Programs offering higher interest rates on servicemen's accounts at overseas military banking facilities were expanded upon in two year-end moves designed to make banking more attractive to military personnel and help reduce gold flow.

The Treasury Department, in cooperation with the Department of Defense, authorized military banking facilities to pay four percent interest on servicemen's individual savings accounts anywhere overseas beginning Feb. 1.

Pentagon officials said AMEXCO, Bank of America, Guarantee Trust, Chase Manhattan and First National City Banks were given this new authority to make interest rates on savings accounts the same in all oversea areas.

In a second action, Treasury made the program for paying interest on checking accounts available to servicemen in Taiwan, effective Jan. 1. The program was previously limited to men serving in Thailand and Vietnam.

Officials stressed that the Taiwan program was a test, marking the first time interest on checking accounts had been extended from a war zone to a peaceful area. Thailand and Vietnam checking accounts at five percent are permanent programs and have been in effect since banks opened there.

All overseas banking programs are intended as companion pieces to the Uniformed Services Savings Deposit Program, and are not competitive with

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Defense Extends 'Open Housing' Ban To Pentagon Area

The Department of Defense has issued new instructions designed to eliminate housing discrimination against Negro service families who want to live near the Pentagon in northern Virginia.

"Effective January 15, 1968, military personnel moving into the Washington metropolitan area or changing their place of residence within the area will not be authorized to enter into new leases or rentals at any apartment or trailer court facility within approximately three miles of the Pentagon unless this housing is available to all military personnel on an equal basis," Secretary of Defense McNamara said in a Dec. 22 memorandum to Secretaries of the three military departments.

Northern Virginia is the overwhelming choice of servicemen who are looking for apartment quarters in metropolitan Washington, he explained. But Mr. McNamara pointed out that less than 10 percent of Negro apartment seekers have been able to locate in the same convenient area.

"It is clear that Negro military personnel assigned to the Pentagon area do not enjoy freedom of choice in housing in Northern Virginia," he said.

The Defense Secretary continued: "The morale and welfare of Negro servicemen, and the operational efficiency of the Defense facilities to which they are assigned, are being adversely affected by the existence of housing discrimination."

The new memo enjoined the Defense Department's Coordinator of Off-Base Housing Services, Brig. Gen.

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SWORD AND SHIELD—Gen. Raymond J. Reeves (left), Commander in Chief, North American Air Defense Command, explains the workings of his command post to Gen. Joseph J. Nazzaro, Commander in Chief, Strategic Air Command. The two generals command the nation's sword and shield forces—SAC's retaliatory bombers and missiles and NORAD's system of warning devices and defensive weapons.

VA Cautions Home Loan Seekers About Side Deals, Tie-In Sales

Veterans seeking home loans guaranteed by the Veterans Administration are advised by the VA to be cautious about getting involved in "side deals" or "tie-in-sales" as a condition to buying a home.

In some cases veterans have been requested or even required to purchase items of furniture or other merchandise. These are paid for in cash and not from proceeds of the loan guaranteed or insured by the VA. In some instances the items have been so overpriced as to constitute additional consideration for the purchase of a house.

Occasionally these offers are legitimate and benefit the veteran. VA has no objection to this if the purchases are not paid for with proceeds of the loan.

In any case where the seller and the purchaser have entered into a "side arrangement" or "tie-in-sale" involving personal property to evade the G.I. statutory requirement that the purchase price of the home not be in excess of the reasonable value established by the VA appraisal, the VA is required to investigate and take any necessary action.

Elmendorf AFB Services 10,000th Starlifter

The 10,000th C-141 Starlifter jet transport to use Elmendorf AFB, Alaska, was serviced in December.

Since November 1965, the C-141s have been stopping at Elmendorf in increasing numbers until now more than 900 visit there each month. This is on the route from their base at Dover AFB, Del. to Southeast Asia. It cuts off about 3-4 hours from other air routes from the east coast over the Pole to our forces in the Far East.

Elmendorf ground crews have cut the time for servicing the big planes down to 14 minutes.

Academy Appointment Allocations Increased For Regular Army, Reserve

An increase in the number of appointments allocated to the Regular Army and Enlisted Reserve—from 27 to 85 each—is provided for in the current expansion of the Corps of Cadets at the United States Military Academy.

No tests are required of Academy applicants. Applicants must have had an interview with commanding officers and have the latter's endorsement. Only an individual's record is used as a basis for his selection for attending preparatory school.

In order to fill all appointments allocated, commanders at all echelons are urged to encourage qualified enlisted men to apply for the preparatory school at Ft. Belvoir, Va. In the 1967-68 class, 662 applied and 148 were accepted.

AF Seeks Degree-Holding Applicants for OTS Program

Air Force has an urgent requirement for individuals with degrees in electrical, electronic, astronautical, and aeronautical engineering to attend Officer Training School (OTS).

Need is for development engineers. OTS students receive a commission upon graduation. Applicants must be between 20½ and 29½ years old.

This year Air Force hopes to commission 446 electronic engineers through the OTS program. A smaller number of astronautical and aeronautical engineers is required.

COMMANDERS DIGEST

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Background for Commanders

FOREIGN AID SUCCESS STORY: IRAN

An integral part of U.S. foreign policy is the foreign economic aid program. Designed to help less developed nations become self-sustaining, it has been terminated in 28 countries which have achieved this goal since the beginning of the Marshall Plan. Recently Secretary of State Dean Rusk discussed the termination of a major aid program in Iran, completed after 15 years of economic and social progress. Following are excerpts from his address.

The United States has long supported the independence and territorial integrity of Iran. That was one of our vivid concerns in discussion with our allies in the Second World War about the peace settlement.

The [U.S.] economic assistance program began in 1952 as a technical assistance program under Point IV. The next year it was expanded to include direct budgetary support. It has totalled $605 million in direct loans and grants for economic development. But only $37 million of that has been provided in the last 5 years.

Last year oil production yielded more than $600 million in revenue to the Government of Iran, and this year the figure will be still higher. Oil revenues are paying for 80 percent of Iran's development budget.

In 10 years, Iran's industrial production has increased 88 percent and its exports by more than one-third. Its Gross National Product increased 11.8 percent in 1965 and 9.5 percent in 1966.

Agricultural Achievements

In 1950, more than three-quarters of the available water in Iran was not being used productively; a handful of irrigation facilities covered a few thousand acres. Today, dams, irrigation systems, and well-drilling projects are multiplying.

The use of fertilizer has more than quadrupled since 1960, and the capacity of Iran to produce its own fertilizer is being expanded, partly in cooperation with American firms.

Rice, sugar, tea, and cotton crops have all doubled in the last 10 years. The production of wheat has risen substantially. Poultry and dairy farming have grown from almost scratch to significant levels.

American aid has helped Iran to establish an agricultural extension service with more than 1,000 trained technicians. We have assisted Iran's new hydrographic program and government service to conserve and utilize ground waters. Only 11 percent of Iran's land is now cultivated. With adequate irrigation, an estimated 30 percent can be farmed.

Development Results

The list of concrete results from Iran's development programs is too long to repeat here. But perhaps we can be forgiven for citing just a few more programs in which American assistance played a significant role.

- Building of the new port at Bandar Abbas on the Persian Gulf, which will open Iran's entire southern region.
- Loans totalling $77.5 million to help complete a nationwide network of improved highways.
- Loans of about $9 million to help with a master electrification program.
- Aid in building or improving schools in which 100,000 Iranians are enrolled this year.
- A drastic reduction in the incidence of malaria.
- Immunization of 95 percent of the population against smallpox.
- The insuring, as of last year, of $55 million of industrial development in Iran by American business—in ventures in petrochemicals, mining, rubber products, dairy products, and pharmaceuticals.

Iran's Self-Help

But, I would emphasize, the American role has been to help. The main job has been done by Iran.

The Shah's land reform has given 14 million Iranians a direct stake in agricultural progress. His far-reaching social and educational reforms, including equal rights for women, are producing results. . . . I have never met a Chief of State or head of government who could speak with more precision, detail, and real expertness, about the economy of his country than does the Shah of Iran.

A Promising Future

There is every reason to believe that Iran's forward march will continue. Loans from the Export-Import Bank will not be affected by the aid program's termination. American private enterprise carries on. Many American companies and firms are demonstrating their confidence in Iran's future. Assisted by AID's investment guaranty and investment survey programs, they will provide a continuing partnership that will help to maintain Iran's momentum toward an ever higher level of prosperity.

Only a few weeks ago the Shah was crowned—he had postponed the event until his aspirations and policies and programs for his people had produced substantial results. The verdict throughout the Free World was that he had thoroughly earned his crown.

Indeed, the story of modern Iran is one of the great success stories of our time. And the realization that in some small measure we have been able to help Iran to accomplish this success should give all of us in the United States satisfaction and joy.

President Signs Law Liberalizing Federal Credit Union Regulations

President Johnson has signed into law a bill to strengthen Federal credit unions by permitting them to lend money more easily and pay dividends twice as often.

The bill also allows credit unions to pay dividends for a whole month on deposits received during the first ten days of a month.

Half of the nation's 23,000 credit unions are chartered and supervised by the Federal Government—the other half are supervised by the States.

President Johnson remarked at the signing that the credit union is another instrument of consumer protection.

He noted that credit unions help the serviceman and worker escape the loan shark.

Sixty Flight Nurses Graduate

Sixty flight nurses—largest group to graduate from the Air Force School of Aerospace Medicine—received their "wings" in December during ceremonies at Brooks AFB, Tex.

Since the course began in 1943, approximately 6,000 flight nurses have graduated.

TROOPING THE HONOR GUARD—Maj. Gen. K. L. Reaves, new Commanding General of Ft. Campbell, Ky., and the reactivated 6th Infantry Div., salutes the colors during assumption of command ceremonies.

Army Reserve Sets Up Eighteen New Commands

The U.S. Army Reserve will establish 18 new commands this month to round out the USAR structure across the country. They are designated Army Reserve Commands. Each will be headed by an Army Reserve general officer with a staff of approximately 100 AR officers and men and nine fulltime civilian technicians, each of whom will be an AR member.

The ARCOMs will provide general officer direction to all USAR units not assigned to one of the 45 USAR general officer commands now in the force structure.

The new ARCOMs will be responsible for mobilization readiness of all assigned units and will command USAR schools. The ARCOMs will fit into the military chain of command directly under the five Continental Armies. Their locations will be:

First U.S. Army Area—Boston, New York, Pittsburgh, Philadelphia, Columbus, Ohio and Ft. Meade, Md.

Third U.S. Army Area—Columbia, S. C., Atlanta and Birmingham.

Fourth U.S. Army Area—Ft. Chaffee, Ark. and Ft. Sam Houston, Tex.

Fifth U.S. Army Area—Chicago, St. Louis, Minneapolis and Indianapolis.

Sixth U.S. Army Area—Ft. MacArthur, Calif., Seattle and Salt Lake City.

Defense Extends Open Housing Ban

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William E. Ekman, USA, to take these actions:

- Promptly inform military personnel receiving orders assigning them to installations in the Washington area that they may not enter into new lease and rental agreements for housing or trailer space as of Jan. 15 without first consulting the Housing Office of the installation to which they are assigned.
- Promptly inform military families already living in Washington of the new policy, specifically that they may not enter into new lease and rental agreements for housing or trailer space as of Jan. 15 without first consulting the Housing Office of the installation to which they are assigned.
- Keep the entire policy under continuing review to see if designated areas need to be revised and to make immediate recommendations about any redesignation.

The Secretary pointed to some progress already made in eliminating racial housing discrimination against military personnel in Northern Virginia during the past six months with 146 apartment houses with 33,327 units accepting service families of all races.

"But discriminatory practices continue at many facilities," he concluded, "and the new order is designed to eliminate these disturbing off-base housing problems."

Overseas Banking

(Continued from page 1)

it, officials said. They pointed out that the overseas deposits program, paying 10 percent interest, is strictly a savings program and that servicemen cannot withdraw money from accounts until their return from overseas.

The programs for overseas savings and checking accounts are designed to provide servicemen with attractive interest rates in accounts with the same flexibility offered in banks at home.

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